

## Abstract of the Disclosure

A method and apparatus is disclosed for determining the prepayment propensity of individual borrowers. Early payment of debt instruments, such as loans and leases, can lead to losses being suffered by lenders. The present invention analyzes the demographics associated with a particular borrower to determine both the individual and group based prepayment propensity. The history of the borrower, the history of the borrower's demographic group, interest rate trends and other factors are then used to calculate a prepayment score that can be used by the lender to determine the propensity of a given borrower to prepay the instrument in question. The score of the individual borrower can be used to estimate the profitability of a debt instrument and allow the lender to make appropriate adjustments prior to issuing the instrument. The individual prepayment scores of a lender's or broker's clients can also be used to rate the lender or broker.